

**CITY OF WHITTIER, ALASKA
RESOLUTION #32 -2019**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER,
ALASKA, AMENDING THE PARTICIPATION AGREEMENT WITH THE
PUBLIC EMPLOYEES RETIREMENT SYSTEM**

WHEREAS, the City of Whittier ("City") and the State of Alaska entered into an agreement ("Agreement") relating to participation by the City in the Public Employees' Retirement System of Alaska ("PERS"); and

WHEREAS, the Whittier City Council is able to make periodic amendments to the Agreement for the purpose of including or excluding specific classes or employees from participation in PERS; and

WHEREAS, the City desires to exclude the position of finance director from participation in PERS and requested the State conduct a termination study to determine the costs and benefits of removing the position from PERS which resulted in a total one-time termination cost of \$3,152 to be offset by lower annual contributions; and

WHEREAS, under State Statute, cities are required to pay an employer contribution rate of 22% consisting of the normal cost (currently 4.56%) and the past service cost (currently 17.44%) for positions included in PERS, and to pay only the past service cost (17.44%) for positions which are removed from participation in PERS. Because the past service cost is a component of the full employer contribution rate, opting a position out of PERS results in annual cost savings due to the City not having to contribute the normal cost component of the rate, but still results in the City paying its fair share into PERS to contribute toward extinguishing the unfunded liability of the PERS System; and

WHEREAS, opting the position out of PERS requires the City pay only the lower past service cost rate (17.44% currently) rather than the full employer contribution rate (22%), resulting in annual cost savings to the City at the current rates, of more than \$4,500 per year; and

WHEREAS, opting a position into or out of PERS requires a Council Resolution authorizing an amendment to the PERS Participation Agreement; and

WHEREAS, the position can be reinstated into PERS in the future if desired, at no additional cost to the City, after Council approval of an amendment to the PERS Participation Agreement, requesting to opt the position back in.


NOW, THEREFORE, BE IT RESOLVED; the City Council excludes from participation in the Public Employees' Retirement System (WMC 2.70.280) the position of finance director and authorizes the city manager to take all steps necessary to execute an amendment to the Participation Agreement between the City of Whittier and the State of Alaska, Department of Administration, to accomplish same. This resolution shall be retroactive to September 1, 2019.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 12th day of November, 2019.

ATTEST:



Naelene Matsumiya
City Clerk



Dave Dickason
Mayor

Ayes: 7
Nays: 0
Absent: 0
Abstain: 0